GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2959
ANSWERED ON:02.08.2002
BANK OVERDRAFT OF FCI
V. VETRISELVAN

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Bank overdraft of Food Corporation of India has been increasing year-by-year;

(b) if so, the details for the last three years;

(c) the main reasons therefor; and

(d) the efforts made by the Government to lessen it?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SH KRISHNAM RAJU)

(a),(b)&(c): FCI operates under sanctioned cash credit limit for procurement of foodgrains and other operations.The details of the bank overdraft (Cash Credit Limit) of the FCI during the last three years are as under:-

As on March, 2000 Rs.17,796.66 Crore
As on March, 2001 Rs.22,246.23 Crore (Provisional)
As on March, 2002 Rs.27,142.83 Crore (Provisional)

The main reasons for the increase in the bank overdraft of the FCI are as under:-

(i) Increase in the Minimum Support Prices of foodgrains without corresponding increase in the Central Issue Prices.

(ii) Higher levels of procurement of foodgrains.

(iii) Decrease in off-take/sale under PDS.

(iv) Higher level of buffer stocks.

(v) Reduction in Central Issue Prices.

(vi) Delay in getting the outstanding amounts on account of various welfare schemes (to be collected from other Ministries) settled and recovered.

(d): The Government has taken the following measures:-

(i) Disposal of `C` and `D` category/old stocks through tenders.

(ii) Sale of surplus stocks for export purposes.

(iii) Expediting the release of outstanding amounts from other Ministries.

(iv) Prompt release of monthly subsidy so as to reduce the bank overdraft.